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*Admitted Pro Hac Vice*

**UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF NEVADA**

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

Case No. BK-S-06-10725 LBR  
 Case No. BK-S-06-10726 LBR  
 Case No. BK-S-06-10727 LBR  
 Case No. BK-S-06-10728 LBR  
 Case No. BK-S-06-10729 LBR

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED FUND,  
 LLC  
 Debtor.

Chapter 11

**Jointly Administered Under  
 Case No. BK-S-06-10725 LBR**

In re:  
 USA CAPITAL FIRST TRUST DEED FUND, LLC  
 Debtor.

**OPPOSITION OF THE KANTOR  
 GROUP TO MOTION FOR  
 PAYMENT OF PROCEEDS OF  
 NOTES SECURED BY DEEDS OF  
 TRUST WITHOUT REDUCTION  
 FOR NETTING [Docket No. 1080]**

In re:  
 USA SECURITIES, LLC,  
 Debtor.

Affects:  
☒ All Debtors  
☐ USA Commercial Mortgage Company  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed Fund, LLC  
☐ USA Capital First Trust Deed Fund, LLC  
☐ USA Securities, LLC

Date: August 31, 2006

Time: 9:30 A.M.

OFFICES

**OPPOSITION OF THE KANTOR GROUP TO MOTION FOR PAYMENT OF  
PROCEEDS OF NOTES SECURED BY DEEDS OF TRUST WITHOUT  
REDUCTION FOR NETTING**

Dr. Gary Kantor, personally and as the trustee of the Kantor Nephrology Consultants, Ltd. 401(k) Profit Sharing Plan, and Mrs. Lynn Kantor (f/k/a Lynn Maguire), personally and on behalf of the Lynn Kantor IRA (collectively, the "Kantor Group"), hereby submits this limited objection to the Motion for Payment of Proceeds of Notes Secured By Deeds of Trust Without Reduction for Netting (the "Motion") [Docket No. 1080] filed by Robert C. LePome, Esq. and Nancy Allf, Esq. on behalf of a number of claimed direct lenders (collectively the "Moving Parties"), and asserts that the Court should defer ruling on the Motion to a later date, and, in support thereof, respectfully states as follows:

1. In the Motion, the Moving Parties are seeking the immediate distribution to them of money USA Commercial Mortgage Company ("USA") is withholding from interim distributions as described in the Debtors' Motion to Distribute Funds and To Grant Ordinary-Course Releases and Distribute Proceeds [Docket No. 847] and further clarified by the statements on the record at the hearing in these cases on August 4, 2006 (the "August 4<sup>th</sup> Hearing").

2. To date, the Debtors only recently issued account statements to direct lenders and members of the USA First Trust Deed Fund, LLC and the USA Capital Diversified Trust Deed Fund, LLC; many parties are currently in the process of analyzing their investments and the circumstances related to any distributions withheld by USA; and the Debtors have yet to propose chapter 11 plans.

3. Moreover, as clarified at the August 4<sup>th</sup> Hearing, the rights of the Moving Parties (and any other party) to any distributions withheld by USA have been preserved.

4. Under these circumstances, the issues related to any parties' ultimate rights to the withheld distributions should not be resolved at the present time.

5. Additionally, the Moving Parties can not, pursuant to Rule 7001 of the Federal Rules of Bankruptcy Procedure, obtain the relief they are seeking in the context of a motion.

6. The members of the Kantor Group reserve all of their rights to take a substantive position on the issues raised in the Motion at a later time.

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**CERTIFICATE OF SERVICE**

1. We filed the following document on August 18, 2006:

**OPPOSITION OF THE KANTOR GROUP TO MOTION FOR PAYMENT OF  
PROCEEDS OF NOTES SECURED BY DEEDS OF TRUST WITHOUT  
REDUCTION FOR NETTING [Docket No. 1080]**

2. I served the above-named document by the following means to the persons as listed below:

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I declare under penalty of perjury that the foregoing is true and correct.

DATED this 18<sup>th</sup> day of August, 2006.

/s/ Joseph McLaughlin  
Joseph McLaughlin, an employee of  
KRA VITZ, SCHNITZER, SLOANE,  
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